

1570.0500 POWERS AND DUTIES OF COUNCIL.

Subpart 1. **Meetings.** The council shall convene and conduct meetings in accordance with part 1570.0600.

Subp. 2. **Promotional orders.** The council shall participate in the formulation and administration of promotional orders in accordance with part 1570.0900.

Subp. 3. **Chief administrative officer.** With the approval of the commissioner, the council shall appoint, employ, discharge, fix compensation for, and prescribe the duties of the first chief administrative officer of the council. Subsequent chief administrative officers and all other personnel employed do not require the commissioner's approval. The council and commissioner shall determine the amount of bond required for all individuals on the council and all individuals employed by the council who control, handle, expend, or deposit check-off fees or other funds, including those individuals authorized to sign checks.

Subp. 4. **Other actions.** The council shall take the actions listed in items A and B:

A. The council shall prepare an annual estimated budget for the operation of the promotional order and submit it to the commissioner within 30 days of the first day of the fiscal year unless the promotional order directs otherwise. Budgets may be revised during the fiscal year. If they are, the commissioner must be notified within 20 days of the revision. Minutes of the council meeting, documenting the changes and the reasons for them, shall constitute notification to the commissioner. Budgets or budget revisions may be prepared on forms provided by the commissioner or on similar forms.

B. The council shall consult with banks where funds are deposited regarding check signing procedures. No more than four authorized signatures of council members, the chief administrative officer, or council employees may be provided to the bank, two of which must appear on all checks except refund checks. Refund checks require only one signature, which may be any one of the four authorized.

Subp. 5. **Petty cash.** A council may establish a petty cash account after a favorable vote by a majority of the council members, provided that the use of these funds is consistent with the purposes of Minnesota Statutes, sections 17.51 to 17.69, and this chapter. The bond for the council and its staff must be sufficient to cover the amounts in any petty cash accounts created pursuant to this subpart.

Subp. 6. **Records.** The council shall keep a record of the following materials and shall make reasonable arrangements for the time and place of inspection of the records by the public:

- A. the council's annual budgets and financial statements;
- B. annual reports on promotional order programs of the previous marketing year required under Minnesota Statutes, section 17.57, subdivision 3;

C. minutes of all council and executive committee meetings documenting all actions;

D. noncompliance lists related to the promotional order, which must be submitted to the commissioner on a semiannual basis;

E. information and data collected for the proper administration of promotional orders in accordance with Minnesota Statutes, section 17.57, subdivision 4; and

F. any other information deemed by the commissioner or council to be reasonably related to the organization of the council or to the administration of its promotional order.

Subp. 7. **Donations.** The council may receive any donations from public or private sources for the purposes of Minnesota Statutes, sections 17.51 to 17.69, or this chapter.

Subp. 8. **Executive committee.** The council may authorize the executive committee to meet as needed to handle any matter prescribed by the council. At a regularly scheduled meeting of the council, any council member may inquire into the actions taken by the executive committee. Minutes of the executive committee meetings shall be sent to all council members, the commissioner, and the commissioner's designee in accordance with part 1570.0600, subpart 5.

Subp. 9. **Audits.**

A. For councils that gross less than \$150,000 annually, every third audit must be an audit of financial statements and a compliance audit.

B. For the other two years, a financial review must be conducted as prescribed by the most current edition of the Financial Accounting Standards Board's Current Text, which is incorporated by reference, subject to frequent change, and located at the State Law Library and on the Internet at <http://www.fasb.org/st/>.

Statutory Authority: *MS s 17.54; 17.58; 17.63*

History: *18 SR 2277; 27 SR 377; 34 SR 1327*

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